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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON APRIL 17, 2012

Commission Chairman John D. Quackenbush called the meeting to order at 10:10 a.m.

Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

Staff: Sally Wallace
Judy Palnau
Mary Jo Kunkle
Jennie Kahn-Jacques
Paul Proudfoot
Cathy Bowers
Wanda Jones
Mignon Middlebrook
Lisa Felice

Public: Tim Hoffman, Consumers Energy
Jim Padgett, DTE Energy
Suzy Westmoreland, MEGA
Beverly Roberts, Consumers Energy
Kwafo Adarkwa, ITC

- I.** Commissioner Isiogu moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The agenda was approved.

- II.** Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of April 6, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-11950 DSLNET COMMUNICATIONS, LLC
(license surrender)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves a request to surrender a license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16413 COMMISSION’S OWN MOTION
(E 9-1-1 training standards)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves promulgation of rules setting training standards for emergency 9-1-1 service telecommunicators. The order before you approves the schedule for a public hearing and the receipt of written comments on the proposed rules, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16862 MARK RIEDY STATE FARM v QWEST COMMUNICATIONS COMPANY, LLC, BILLING CONCEPTS, INC., d/b/a O + DIALING, CENTURYLINK AND TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves a complaint filed by Mark Reidy State Farm. The order before you dismisses the complaint at the request of the complainant, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16943 COMMISSION'S OWN MOTION
(universal service fund and intercarrier compensation reforms)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which is a matter commenced on the Commission's own motion to receive comments regarding the effect of the Federal Communications Commission's order FCC 11-161 reforming intercarrier compensation. The order before you concludes that no further Commission action is required at this time, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16989 ALLENDALE TELEPHONE COMPANY, DRENTHE
TELEPHONE COMPANY AND TDS METROCOM, LLC
(interconnection agreements)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which requests Commission approval of an interconnection agreement. The order before you approves the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-17001 AIR ADVANTAGE, LLC
(temporary license)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which is an application for a temporary license to provide basic local exchange service. The order before you grants the temporary license, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-17019 COMMISSION'S OWN MOTION
(Lifeline reform)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which is a matter on the Commission's own motion, to conform Michigan's Lifeline program to new federal requirements adopted in the Federal Communications Commission's Lifeline Reform Order. The order before you adopts procedures for eligible telecommunications carriers and basic local exchange service providers, consistent with that order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

B. ELECTRIC

1. U-12478 THE DETROIT EDISON COMPANY
(securitization true-up)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by The Detroit Edison Company for approval of a financing order approving the securitization of certain regulatory assets and other qualified costs. The order before you approves the true-up adjustments to The Detroit Edison Company's securitization bond and tax charges, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16129 TENSEN FAMILY FARM
(stray voltage investigation)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves a formal complaint brought under the Commission's Rules and Regulations Governing Animal Contact Current Mitigation MCL 460.2701 *et seq.* The order before you adopts the Proposal for Decision and order that the complaint filed by Tensen Family Farms, L.C., a Michigan limited

liability company, Nicholaas Tensen, V, and Geraldine Tensen, be dismissed with prejudice, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16425-R CLOVERLAND ELECTRIC COOPERATIVE
(’12 PSCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves a motion by Cloverland Electric Cooperative to suspend its times interest earned ratio ratemaking filing requirement for the 12-month period ended December 31, 2011. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16670 CONSUMERS ENERGY COMPANY
(energy optimization plan amendment)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which concerns an application by Consumers Energy Company requesting approval of an amended energy optimization plan for the company’s electric and gas divisions. The order before you approves the company’s proposed energy optimization plan as set forth in the order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16671 THE DETROIT EDISON COMPANY
(energy optimization plan amendment)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which concerns an application by The Detroit Edison Company requesting approvals of an energy optimization plan biennial review and an amended energy

optimization plan. The order before you conditionally approves the company's proposed energy optimization plan as set forth in the order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16688 VILLAGE OF BARAGA
- U-16689 CITY OF BAY CITY
- U-16690 CITY OF CHARLEVOIX
- U-16691 CHELSEA DEPARTMENT OF ELECTRIC & WATER
- U-16692 VILLAGE OF CLINTON
- U-16693 COLDWATER BOARD OF PUBLIC UTILITIES
- U-16694 CROSWELL MUNICIPAL LIGHT & POWER
- U-16695 CITY OF CRYSTAL FALLS
- U-16696 DAGGETT ELECTRIC DEPARTMENT
- U-16697 DETROIT PUBLIC LIGHTING DEPARTMENT
- U-16698 CITY OF DOWAGIAC
- U-16699 CITY OF EATON RAPIDS
- U-16700 CITY OF ESCANABA
- U-16701 CITY OF GLADSTONE
- U-16702 GRAND HAVEN BOARD OF LIGHT & POWER
- U-16703 CITY OF HARBOR SPRINGS
- U-16704 CITY OF HART HYDRO
- U-16705 HILLSDALE BOARD OF PUBLIC UTILITIES
- U-16706 HOLLAND BOARD OF PUBLIC WORKS
- U-16707 VILLAGE OF L'ANSE
- U-16708 LANSING BOARD OF WATER & LIGHT
- U-16709 LOWELL LIGHT AND POWER
- U-16710 MARQUETTE BOARD OF LIGHT & POWER
- U-16711 MARSHALL ELECTRIC DEPARTMENT
- U-16712 NEGAUNEE DEPARTMENT OF PUBLIC WORKS
- U-16713 NEWBERRY WATER AND LIGHT BOARD
- U-16714 NILES UTILITIES DEPARTMENT
- U-16715 NORWAY ELECTRIC DEPARTMENT
- U-16716 VILLAGE OF PAW PAW
- U-16717 CITY OF PETOSKEY
- U-16718 CITY OF PORTLAND
- U-16719 CITY OF SEBEWAING
- U-16720 CITY OF SOUTH HAVEN
- U-16721 CITY OF ST. LOUIS
- U-16722 CITY OF STEPHENSON
- U-16723 CITY OF STURGIS
- U-16724 TRAVERSE CITY LIGHT & POWER

U-16725 UNION CITY ELECTRIC DEPARTMENT
U-16726 CITY OF WAKEFIELD
U-16727 WYANDOTTE DEPARTMENT OF MUNICIPAL SERVICE
U-16728 ZEELAND BOARD OF PUBLIC WORKS
U-17008 MICHIGAN MUNICIPAL ELECTRIC ASSOCIATION
(request for determinations)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which are applications filed by the Michigan Municipal Electric Association on behalf of 41 municipal electric providers for the adoption by the Commission of certain administrative determinations regarding application of 2008 PA 295. The order before you provides the municipal utilities with a variety of administrative determinations that should increase their ability to design and implement energy optimization programs in accordance with the requirements of Act 295, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-16891 INDIANA MICHIGAN POWER COMPANY
(’12 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by Indiana Michigan Power Company for authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

8. U-16918 MELISSA ABRAHAM v CONSUMERS ENERGY COMPANY

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves a complaint by Melissa Abraham against Consumers Energy Company. The order before you dismisses the complaint with prejudice, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

9. U-16960 COMMISSION’S OWN MOTION, THE DETROIT EDISON COMPANY
U-16961 COMMISSION’S OWN MOTION, MICHIGAN CONSOLIDATED GAS COMPANY
U-16962 COMMISSION’S OWN MOTION, CONSUMERS ENERGY COMPANY
U-16963 COMMISSION’S OWN MOTION, CONSUMERS ENERGY COMPANY
(LIEEF refunds)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which are proceedings brought under MCL 460.10d(9) to ensure the refund to the ratepayers of The Detroit Edison Company, Michigan Consolidated Gas Company, and Consumers Energy Company of monies collected for the now defunct Low-Income and Energy Efficiency Fund. The order before you authorizes these utilities to refund \$56,310,351.43 to their ratepayers in accordance with refund procedures proposed by the companies, as modified by this order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

10. U-16978 COMMISSION’S OWN MOTION
(public hearing – LIHEAP)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which provides notice of a public hearing regarding the decrease in funds received through the Low-Income Home Energy Assistance Program, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

11. U-17009 DETROIT THERMAL, LLC
(steam sales contract)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by Detroit Thermal, LLC, for approval of a steam sales agreement in the City of Detroit. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

12. U-17023 COMMISSION'S OWN MOTION
(RDM comments)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which is a proceeding to solicit comments regarding the impact of the Court of Appeals' decision striking down the use of electric utility revenue decoupling mechanisms. The order before you directs interested persons to file comments by May 18, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

C. GAS

1. U-16147-R SEMCO ENERGY GAS COMPANY
('10-'11 GCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by SEMCO Energy Gas Company for authority to reconcile gas cost recovery revenues and expenses for the 12-month period ended March 31, 2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16482 MICHIGAN CONSOLIDATED GAS COMPANY
('11-'12 GCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by Michigan Consolidated Gas Company for approval of its gas cost recovery plan, 5-year forecast, and monthly GCR factors for the 12-month period ended March 31, 2012. The order before you approves the plan and forecast and authorizes Michigan Consolidated Gas Company to implement a base gas cost recovery factor of \$5.89 per thousand cubic feet of natural gas, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16730 MICHIGAN CONSOLIDATED GAS COMPANY
(energy optimization plan amendment)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application filed by Michigan Consolidated Gas Company for a biennial energy optimization plan review and amendment of its energy optimization plan. The order before you approves the plan review and conditionally approves the amended energy optimization plan, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16925 NORTHERN STATES POWER COMPANY – WISCONSIN d/b/a
XCEL ENERGY
('12-'13 GCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application filed by Northern States Power Company for authority to implement a gas cost recovery plan and factors for the 12-month period ending March 31, 2013. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16975 MICHIGAN CONSOLIDATED GAS COMPANY
(Biogreen gas pilot program)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by Michigan Consolidated Gas Company requesting approval to implement a pilot biogas program. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16995 CVB PIPELINE
(Act 9 pipeline)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by CVB Pipeline, LLC for authority to construct and operate the Sauk Trail Pipeline in Canton and Van Buren Townships, Wayne County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-17002 MICHIGAN CONSOLIDATED GAS COMPANY
(transportation contract)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which concerns an application by Michigan Consolidated Gas Company requesting authority to implement a special gas transportation agreement. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

D. MOTOR CARRIER

1. T-1866 CHAMPION'S AUTO FERRY
(stipulated rate suspension)

Commissioner Isiogu moved that the Commission adopt and issue order dated April 17, 2012 which involves an application by Champion's Auto Ferry, Inc., to increase its rates, fares, and charges. The order before you recognizes the April 12, 2012 stipulation of the parties and fixes the rates, fares, and charges to those established by Tariff M.P.S.C. No. 34 until June 1, 2012, or until further order of the Commission, whichever comes first, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on May 1, 2012.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 10:33 a.m.

Mary Jo Kunkle
Executive Secretary